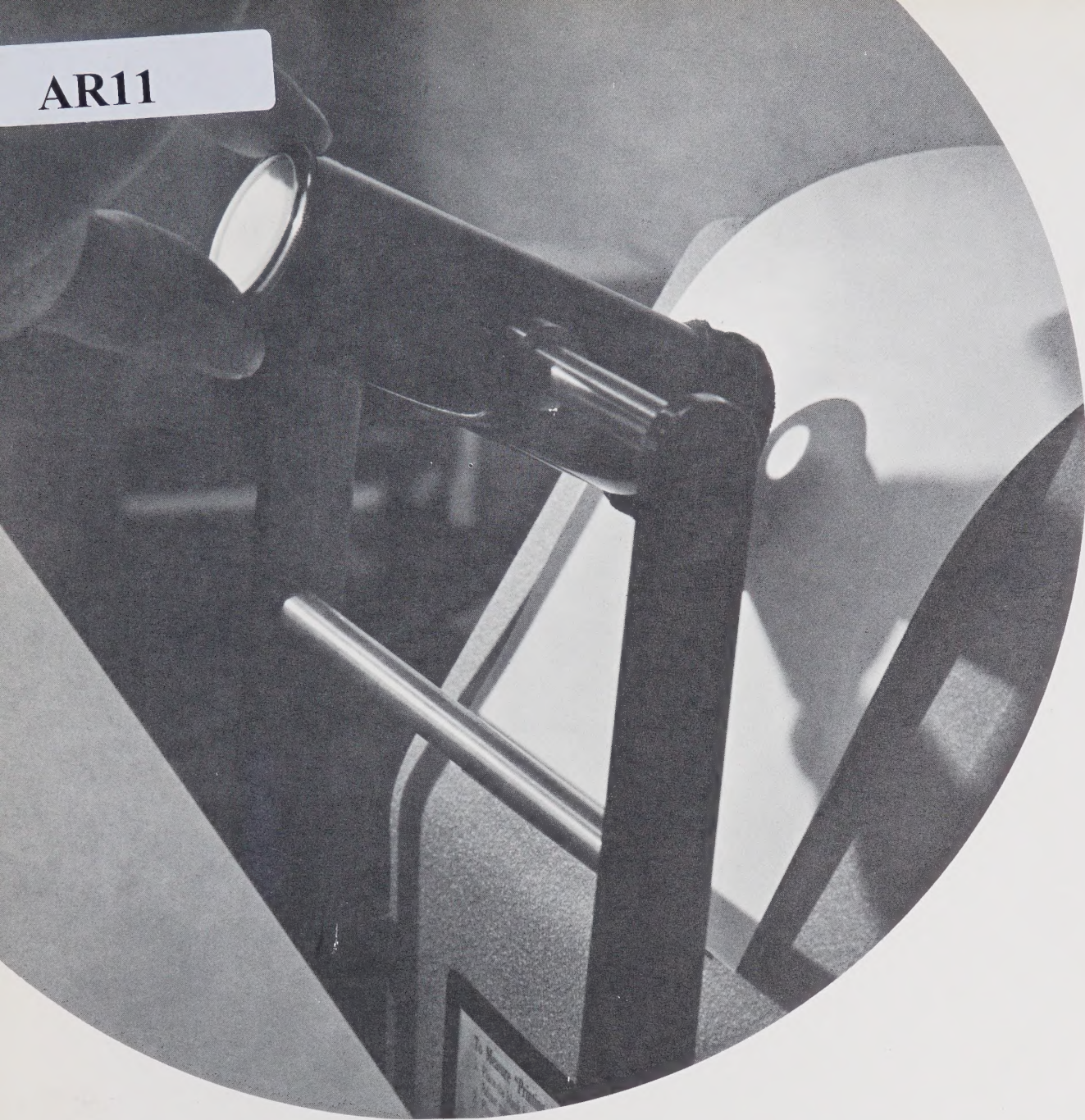


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**Annual
Report 1966**



Rolland Paper COMPANY, LIMITED

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Front cover picture: Quality controls help maintain the high standards of our papers. The cover picture illustrates one of these tests: checking the opacity of the paper.

39th Annual Report • Rolland Paper Company, Limited

and its subsidiary, Canada Glazed Papers Limited

The Annual General Meeting of Shareholders will be held at the Head Office of the Company, 800 Victoria Square, Suite 3620, Montreal, Que. at 11.00 a.m., March 30, 1967.



Place Victoria in downtown Montreal—the world's tallest reinforced concrete building—is the new home of our Head Office. Our executive and administrative offices are located on the 36th floor.



Rolland Paper Company, Limited

Directors

G. DRUMMOND BIRKS, B.Comm.
Montreal, Que.

E. JACQUES COURTOIS,
Montreal, Que.

ROY H. ECCLESTONE,
Town of Kirkland, Que.

GEORGE M. HOBART,
Montreal, Que.

R. A. IRWIN,
Montreal, Que.

K. S. MACLACHLAN, B.A.Sc., O.B.E.
Toronto, Ont.

*GÉRARD PLOURDE, M.Comm.
Montreal, Que.

*ALBERT ROLLAND,
Laval-sur-le-lac, Que.

*LUCIEN G. ROLLAND, B.A., B.A.Sc., C.E.
Montreal, Que.

*MARC ROLLAND,
St. Jerome, Que.

OLIVIER ROLLAND,
Montreal, Que.

*J. A. WELDON, C.A., M.B.E.
Montreal, Que.

**Member, Executive Committee*

Officers

LUCIEN G. ROLLAND,
President and General Manager

J. A. WELDON,
Vice-President — Finance

ALBERT ROLLAND,
Vice-President — Marketing

MARC ROLLAND,
Vice-President — Manufacturing

C. M. KING,
Vice-President — Sales for Ontario & Western Provinces

A. DÉOM, C.R.I.,
Vice-President — Personnel

H. A. LEBLANC, C.A.,
Secretary-Treasurer

R. F. RODGER,
Assistant Vice-President — Marketing

A. ST-JACQUES, C.A.,
Assistant General Manager

Registrars

Canadian Trust Company
Bankers Trust Company

Transfer agents

Montreal Trust Company
Royal Trust Company

Auditors

Touche, Ross, Bailey & Smart

Highlights

Tonnage

Sales in tons

1966

77,107

1965

73,701

**Percent
Change**

+ 4.6 %

Sales and Earnings

Net sales

\$29,935,187

\$28,290,544

+ 5.8 %

Net earnings

1,728,405

1,766,326

— 2.1

% of net earnings to net sales

5.8%

6.2%

Cash flow

3,993,637

4,115,390

— 3.0

Per share*

Net earnings per class "A" share

.92

1.00

— 8.0 %

Net earnings per class "B" share

.87

.95

— 8.4

Cash flow per class "A" share

2.15

2.36

— 8.9

Dividends per class "A" share

.40

.30

+ 33.3

Dividends per class "B" share

.35

.25

+ 40.0

Financial

Long-term debt

\$10,217,000

\$11,267,000

— 9.3 %

Working capital

9,503,221

8,390,715

+ 13.3

Capital expenditures

1,156,248

5,143,892

— 77.5

*Number of shares outstanding:

1966 — 1,360,016 "A" shares and 480,008 "B" shares

1965 — 1,243,349 "A" shares (average number for the year)
and 480,008 "B" shares.



Lucien G. Rolland,
President and General Manager

Directors' report to the shareholders

Your Directors have pleasure in submitting their Thirty-ninth report covering the year ended December 31, 1966, together with the audited consolidated financial statements of your Company and its subsidiary, and the report of your Auditors.

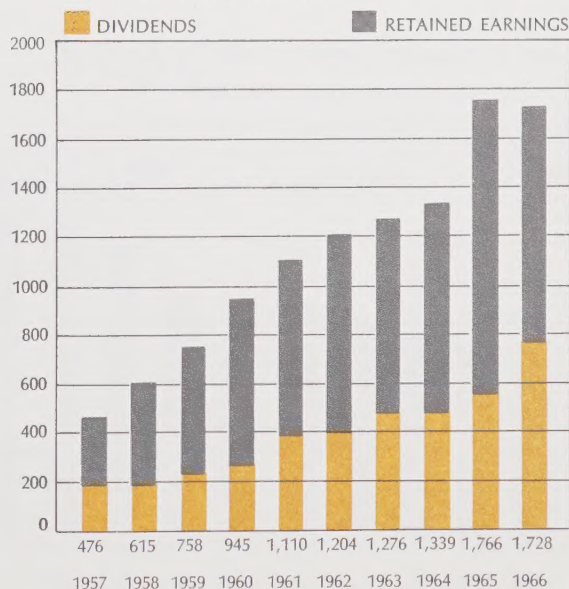
Results

Net earnings in 1966 were \$1,728,405 and represent 92 cents per "A" share and 87 cents per "B" share on the 1,360,016 "A" shares and 480,008 "B" shares outstanding at the end of 1966. In 1965, net earnings of \$1,766,326 represented 93 cents per "A" share and 88 cents per "B" share on the same number of shares, and \$1.00 per "A" share and 95 cents per "B" share on the average number of shares outstanding during that year.

Your Company's sales reached a new record of \$29,935,187. Higher cost of wages, freight and depreciation explain the lower profits which nevertheless, were the second highest in the Company's history. Such non-taxable income items as revenue from dividends, gains on the realization of fixed assets, and discounts on the purchase of the Company's bonds and preferred shares, favourably affected earnings. Dividends received on the investment in shares of Consolidated Paper Corporation Limited amounted to \$262,500 in 1966, as compared to \$184,375 in nine months of 1965.

Net Earnings

THOUSANDS OF DOLLARS



Dividends

Dividends paid in 1966 on the Company's shares were increased by 10 cents to 40 cents per class "A" share and to 35 cents per class "B" share. Total dividend disbursement was \$777,002, in 1966, including dividends on the preferred shares.

Sales

Your Company's total shipments in 1966 were 77,107 tons, 4.6% ahead of 1965. Sales of uncoated grades to the domestic market were practically unchanged from 1965, and shipments of coated grades were 9.1% ahead of last year.

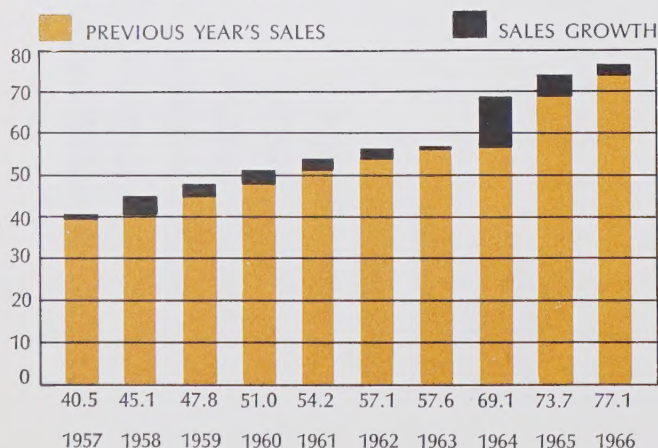
A sizeable increase in export shipments in 1966 mainly accounts for our increased total shipments. Export sales represent 9.1% of total volume as compared to 6.7% in 1965.

Selling prices were increased by 4% in November 1966 in order to offset rapidly increasing production costs. The full effect of this increase will only be felt in 1967.

Fine & coated papers sold by Rolland

Coated papers included since 1964

THOUSANDS OF TONS



Operations

1 - PULP

Bleached chemical pulps are an important element of our costs. Your Company has always bought its requirements on the open market but, during the fourth quarter of 1967, it should start buying its bleached kraft pulp requirements from Consolidated's new kraft pulp mill in Pontiac County, Quebec. Pulp prices remained unchanged during 1966 and there is a possibility that no change will take effect during the current year, in spite of the large additional volume which will be coming on the market.

2 - OPERATING COSTS

The efficiency of our No. 8 paper machine, brought into production in the latter part of 1965, reached a satisfactory level during the year. Part of the output of this machine is base stock for the coating operations of our subsidiary: Canada Glazed Papers Limited.

The full impact of additional fixed costs incurred by this large increase in production capacity was felt in our 1966 operations, as the full depreciation charges on our new paper machine were taken for the first time, increasing the total charges by \$254,600. The investment in the new paper machine, however, should enable us to increase earnings in the immediate future.

Technical personnel and operators combined their skills in conducting several studies made to reduce mill wastes. As a result, some success was achieved in reducing mill operating costs but the problem of water pollution which has been a matter of concern for some years, is continuing to receive serious attention.

Modernization of Plant and Equipment

Capital expenditures of \$1,156,248 in 1966 are appreciably lower than in the last two years, following completion of our latest expansion programme.

The installation of a new boiler at the St. Jerome Mill to supply the steam requirements for additional production facilities was the main capital project of the year. Other expenditures were made to improve the quality of our products, to re-arrange the flow of operations and to reduce finishing costs at St. Jerome.

Financial

a) WORKING CAPITAL

The financial position of your Company continued to improve during 1966, as indicated in the statement of source and application of funds on page 13. Satisfactory cash flow and lower capital expenditures allowed us to

reduce our long-term debt and to add \$1,112,506 to working capital which stood at \$9,503,221 at December 31, 1966.

Accounts receivable decreased by \$1,107,959 as a result of cash discounts introduced in the selling price structure. Surplus funds are invested in short-term securities.

b) LONG-TERM DEBT REDUCTION

In addition to the redemption on January 2, 1966 of the last \$150,000 of the 3³/₄% serial bonds, \$750,000 of the 4¹/₂% sinking fund bonds were purchased and cancelled. The non-taxable profit on the purchase of the 4¹/₂% sinking fund bonds at a discount, has been included in the income statement.

Long-term debt instalment due within one year has increased from \$150,000 to \$300,000 due on July 2, 1967. During the last eleven years, the Company redeemed all of the \$1.5 million 3³/₄% serial bonds and purchased and cancelled \$2,483,000 of the 4¹/₂% sinking fund bonds. Out of this amount, \$1,283,000 is applicable to future sinking fund requirements.

c) PREFERRED SHARES REDEMPTION

During the year, 2,010 preferred shares of the Company were purchased and cancelled. The price paid for these shares was below their par value and the gain thereon, together with the discount on the redemption of bonds, are included in the income statement.

d) DEPRECIATION POLICY

The depreciation charges on plant and equipment of \$1,072,238 which were deducted from earnings in 1966 were calculated by using the straight-line method at an average rate of 4% of depreciable assets which is considered to be adequate to amortize their cost over their estimated useful lives.

e) INCOME TAXES

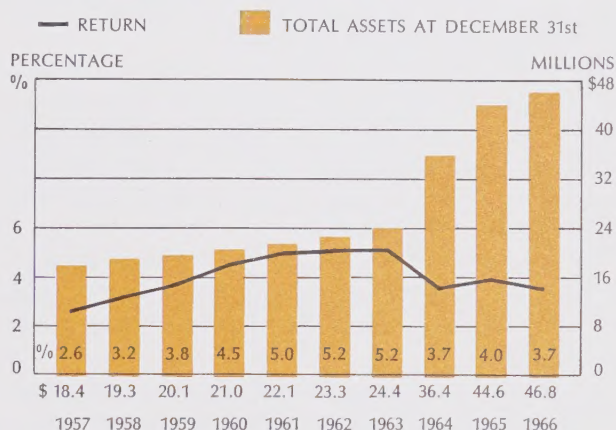
We continued the practice of claiming maximum capital cost allowance permitted under tax legislation, including accelerated allowances on assets purchased since June 1963. The maximum capital cost allowance claimed in recent years greatly exceeds the depreciation deducted from earnings, resulting in a substantial deferment of income taxes payable.

Normally the amount of taxes payable against 1966 income would have been \$1,265,915. But by claiming maximum capital cost allowance, income taxes payable were reduced by \$1,192,994 to \$72,921 and the provision for deferred income taxes was increased to \$4,615,565.

f) RATE OF RETURN ON TOTAL ASSETS

Total assets before depreciation increased by \$2.2 millions to \$46.8 millions at the end of 1966 and the rate of return on total assets was 3.7%.

Total assets and rate of return



Head Office

The Company's head office building at 1645 Sherbrooke Street West was expropriated by the City of Montreal, and the head office was moved to Suite 3620, 800 Place Victoria.

Expo '67

Your Company accepted an invitation from the Canadian Pulp and Paper Association to participate financially to the Paper Industry's Pavilion on Ile Notre-Dame.

A stylized forest has been chosen for the exterior of the Pavilion. The story of paper in relation to Man and His World will be presented in a startling and delightful way and will tell something of Canada's place in the Industry which contributes so much to man's progress.

Industrial Relations

The employees of your Company numbered, at the end of 1965, 1,163 and 1,260 at the end of 1966. This represents an increase of approximately 9% and was due to increased production and to changes in organization structures. These modifications should ensure the dynamic growth of the Company.

Relations with our employees in 1966 were marked by unfortunate incidents. Negotiations for the renewal of our labour contracts in the plants of Scarborough, St. Jerome and Mont-Rolland were disrupted by strikes, resulting in losses of approximately 26,000 man-days and \$450,000 in wages.

Nevertheless, after many sessions of conciliation, labour contracts were signed until November 21, 1967 for Scarborough, and April 30, 1968 for St. Jerome and Mont-Rolland.

These new agreements will increase labour costs by \$600,000 per annum during the first year and by a further \$200,000 during the second year.

Directors and Officers

On July 1, 1966 Mr. Frederick W. Bradshaw resigned from the Board of Directors, and his experience in dealing with the problems common to the Pulp & Paper Industry will be missed by the Company.

On January 25, 1967, Mr. R. A. Irwin, President and Chief Executive Officer of Consolidated Paper Corporation Limited was elected to the Board and we are most fortunate to have the benefit of his sound counsel and advice.

Two senior positions were created during the year. Mr. André Déom, C.R.I., was appointed Vice-President, Personnel, and Mr. André Asselin became Production Manager.

Mr. E. Rhéaume, Secretary, is retiring after more than fifty years of service with the Company. Mr. H. A. LeBlanc, C.A., Treasurer, will assume the responsibility of Secretary. Mr. J. Yvon Clément joined our staff as Chief Engineer.

Outlook

The Centennial Year of Confederation marks also the 85th year of operations of the Rolland Organization.

In spite of the short-term uncertainties such as the outcome of the Kennedy Round of Tariff negotiations and the effect on the North American economy of the settlement or the continuation of the Vietnamese war, we look to 1967 as a year of continued prosperity. The members of our organization are dedicated to the progress of our Country and they will continue, to the best of their ability to improve their service to the community by providing, in ever greater quantities, one of the finest vehicle of communication between fellow human beings.

To all those employees who, through their work, their competence and their talents, pursued the attainment of this objective last year, your Directors wish to express their sincere appreciation.

On behalf of the Board,



A handwritten signature in dark ink, reading "Lucien G. Rolland".

Lucien G. Rolland
President and General Manager

Montreal, February 16, 1967



Rolland Paper Company, Limited

and its subsidiary company

Statement of consolidated income and expense

	Year ended December 31	
	1966	1965
NET SALES	\$29,935,187	\$28,290,544
Cost of sales	23,970,737	22,239,884
Gross profit	5,964,450	6,050,660
Selling and administrative expenses	1,983,368	1,798,281
Provision for depreciation	1,072,238	817,640
Bond interest	597,001	638,021
	3,652,607	3,253,942
Investment and other income	2,311,843	2,796,718
	460,352	426,117
Earnings from operations before income taxes	2,772,195	3,222,835
Provision for income taxes — Note 4	1,265,915	1,531,424
Net earnings from operations	1,506,280	1,691,411
ADD:		
Gain on realization of assets	128,117	34,386
Excess of par value over purchase price of bonds and preferred shares redeemed during the year	94,008	40,529
NET EARNINGS FOR THE YEAR	\$ 1,728,405	\$ 1,766,326

Selling and administrative expenses include remuneration of \$153,900 (1965 \$156,500) paid to directors as directors or officers.

Consolidated Balance Sheet

Assets

	at December 31	
	1966	1965
CURRENT		
Cash	\$ 830,179	\$ 357,538
Investment at cost plus accrued interest (market value \$3,421,919)	3,421,919	1,934,484
Accounts receivable	3,487,974	4,595,933
Income taxes recoverable	333,888	377,642
Inventories — NOTE 1	4,835,089	4,368,601
Prepaid expenses	135,831	17,545
	<u>13,044,880</u>	<u>11,651,743</u>
INVESTMENTS		
Special refundable tax	118,848	—
Investment in securities at cost (market value \$4,781,250)	5,862,651	5,862,651
Short term deposits held for expansion project	—	490,308
	<u>5,981,499</u>	<u>6,352,959</u>
DEFERRED CHARGES	131,329	71,911
FIXED		
Property, plant and equipment — NOTE 2	15,539,114	15,446,181
On behalf of the Board:		
<i>Lucien G. Rolland, Director</i>	<u>\$34,696,822</u>	<u>\$33,522,794</u>
<i>J. A. Weldon, Director</i>		



Rolland Paper Company, Limited

and its subsidiary company

Liabilities

at December 31

	1966	1965
CURRENT		
Accounts payable and accruals	\$ 3,241,659	\$ 3,111,028
Long-term debt instalment due within one year	<u>300,000</u>	<u>150,000</u>
	3,541,659	3,261,028
LONG-TERM DEBT — NOTE 3	10,217,000	11,267,000
PROVISION FOR FUTURE INCOME TAXES — NOTE 4	4,615,565	3,422,571
Shareholders' Equity		
CAPITAL — NOTE 5		
AUTHORIZED		
24,800 Preferred shares of \$100 each — issuable in one or more series		
2,400,000 Class "A" and 800,000 Class "B" shares without nominal or par value		
ISSUED		
14,790 4 ¹ / ₄ % Cumulative redeemable preferred shares	\$1,479,000	
1,360,016 Class "A" and 480,000 Class "B" shares	<u>7,162,683</u>	
	8,641,683	
RETAINED EARNINGS — FOR USE IN THE BUSINESS — NOTE 6	<u>7,680,915</u>	
	16,322,598	15,572,195
	<u>\$34,696,822</u>	<u>\$33,522,794</u>



Rolland Paper Company, Limited

and its subsidiary company

Statement of consolidated retained earnings

	Year ended December 31	
	1966	1965
RETAINED EARNINGS AT BEGINNING OF YEAR	\$6,729,512	\$5,525,093
Net earnings for the year	<u>1,728,405</u>	<u>1,766,326</u>
	<u>8,457,917</u>	<u>7,291,419</u>
Dividends		
Preferred shares	64,993	71,400
Class "A" shares	544,006	370,505
Class "B" shares	<u>168,003</u>	<u>120,002</u>
	<u>777,002</u>	<u>561,907</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$7,680,915</u>	<u>\$6,729,512</u>



Rolland Paper Company, Limited

and its subsidiary company

Statement of consolidated source and application of funds

	Year ended December 31	
	1966	1965
SOURCE OF FUNDS		
Funds from operations		
Net earnings	\$1,728,405	\$ 1,766,326
Non cash charges for		
Depreciation	1,072,238	817,640
Future income taxes	1,192,994	1,531,424
Cash flow	3,993,637	4,115,390
Adjustment of prior years' income taxes	—	368,916
Proceeds from treasury share issue	—	5,862,651
Funds set aside for expansion project	490,308	4,662,692
	<u>\$4,483,945</u>	<u>\$15,009,649</u>
APPLICATION OF FUNDS		
Capital expenditures	\$1,156,248	\$ 5,143,892
Redemption of preferred shares	201,000	—
Special refundable tax	118,848	—
Long-term debt reduction	1,050,000	612,500
Dividends	777,002	561,907
Investment in securities	—	5,862,651
Increase in other assets	68,341	(41,014)
	<u>3,371,439</u>	<u>12,139,936</u>
INCREASE IN WORKING CAPITAL	<u>1,112,506</u>	<u>2,869,713</u>
	<u>\$4,483,945</u>	<u>\$15,009,649</u>
WORKING CAPITAL	<u>\$9,503,221</u>	<u>\$ 8,390,715</u>



Rolland Paper Company, Limited

and its subsidiary company

Notes to consolidated financial statements

December 31, 1966

Note 1—INVENTORIES

Inventories are comprised of the following:

	1966	1965
Finished paper and paper in process	\$ 2,926,587	\$ 2,636,386
Raw materials, wires, felts and supplies	1,592,513	1,531,183
Repair parts and maintenance materials	315,989	201,032
	<u>\$ 4,835,089</u>	<u>\$ 4,368,601</u>

Finished paper and paper in process are valued at manufactured cost applied on the "first in, first out" basis. Raw materials, wires, felts and supplies are valued at cost applied on the "first in, first out" basis. Repair parts and maintenance materials are valued at cost less amortization.

Note 2—PROPERTY, PLANT AND EQUIPMENT

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net 1966</u>	<u>Net 1965</u>
Machinery and equipment	\$21,269,456	\$ 9,943,498	\$11,325,958	\$11,073,523
Buildings	5,905,999	2,155,550	3,750,449	3,910,691
Water power	300,000	—	300,000	300,000
Land	162,707	—	162,707	161,967
	<u>\$27,638,162</u>	<u>\$12,099,048</u>	<u>\$15,539,114</u>	<u>\$15,446,181</u>

Depreciation is provided using the straight-line method at rates designed to amortize the cost of the assets over their estimated useful lives.



Rolland Paper Company, Limited

and its subsidiary company

Note 3— LONG-TERM DEBT

	1966	1965
First Mortgage Bonds		
3 ³ / ₄ % Serial Bonds due January 2, 1966	—	\$ 150,000
4 ¹ / ₂ % Sinking Fund Bonds 1956 issue, due January 2, 1975	\$4,000,000	
Deduct		
Bonds redeemed and cancelled applicable to —		
Sinking Fund Requirements to January 2, 1966	\$1,200,000	
Future Sinking Fund Requirements	1,233,000	
Balance due January 2, 1975	50,000	2,267,000
	<u>\$ 1,517,000</u>	
Sinking Fund Requirements \$300,000 per annum January 2, 1967-1974 Balance of \$400,000 due January 2, 1975		
Debentures — Series "A"		
5 ¹ / ₂ % Serial Debentures due \$300,000 per annum July 2, 1967-1971	1,500,000	1,500,000
5 ³ / ₄ % Sinking Fund Debentures, 1964 issue, due July 2, 1984	7,500,000	7,500,000
Sinking Fund Requirements \$300,000 per annum July 2, 1972-1979 \$500,000 per annum July 2, 1980-1983 Balance of \$3,100,000 due July 2, 1984		
	<u>10,517,000</u>	<u>11,417,000</u>
Deduct		
Instalment due within one year included in current liabilities	300,000	150,000
	<u>\$10,217,000</u>	<u>\$11,267,000</u>

The declaration of dividends and the redemption of preferred shares are restricted if such declaration or redemption result in a reduction of the working capital to an amount less than \$2,000,000.

Note 4— PROVISION FOR FUTURE INCOME TAXES

Capital cost allowances in excess of the provision for depreciation charged against income will be claimed for tax purposes thereby reducing income taxes otherwise payable for the year by \$1,192,994. This amount has been added to the provision for future income taxes which may be payable in future years.

Note 5— CAPITAL

The preferred shares of the 4¹/₄% series are redeemable at \$104 per share and are non-voting unless four quarterly dividends are in arrears. Class "A" shares are non-voting unless the company shall fail, for a period of two consecutive years, to pay any dividend on such shares.

Class "A" shares are entitled to a non-cumulative dividend at the rate of 10 cents per share per annum before payment of any dividend on Class "B" shares. If in any fiscal year dividends at the rate of 5 cents per share per annum are paid on Class "B" shares, any further distribution in respect of that fiscal year shall be made equally, share for share, upon all outstanding Class "A" and Class "B" shares.

Note 6— RETAINED EARNINGS

During the year 2,010 preferred shares were purchased for redemption. Accordingly \$201,000 of retained earnings is restricted under the provisions of Section 61 of the Canada Corporations Act.

Auditors' report to the shareholders

TOUCHE, ROSS, BAILEY & SMART

Chartered Accountants

ROYAL BANK BUILDING, PLACE VILLE MARIE, MONTREAL 2, CANADA

THE SHAREHOLDERS,
ROLLAND PAPER COMPANY, LIMITED,
MONTREAL, QUE.

We have examined the accompanying consolidated balance sheet of Rolland Paper Company, Limited and its subsidiary company as at December 31, 1966 and the statements of consolidated income and expense, retained earnings and source and application of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned financial statements present fairly the financial position of the company and its subsidiary company as at December 31, 1966 and the results of their operations and the source and application of funds for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

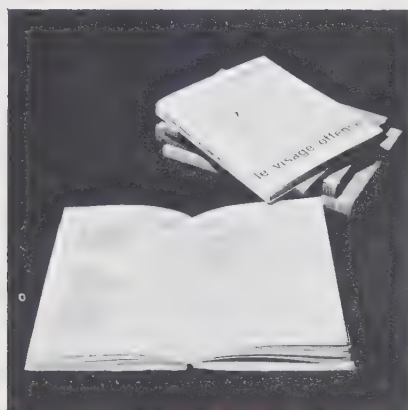
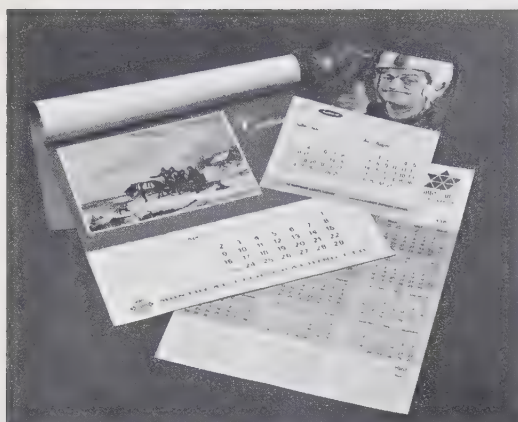
Touche, Ross, Bailey & Smart,

Chartered Accountants.

*Montreal, Quebec.
January 23, 1967.*

Paper in many forms

speeds business communications
and plays
an important part
in the lives of everyone.



The paper used for this report is Ropaco Offset, India, 160M,
Rolland Glowwhite Offset, 240M and 160M.

Ten year comparative statistics

tonnage

Sales in tons

sales and earnings

Net sales
Dividend income
Provision for depreciation
Bond interest
Earnings before income taxes
Income taxes
Net earnings
Percentage of net earnings to net sales
Percentage of net earnings to total assets
Cash flow

distribution of earnings

Dividend on preferred shares
Dividend on class "A" and "B" shares
Retained in business

per share*

Net earnings per class "A" share
Dividend per class "A" share
Cash flow per class "A" share
Equity per class "A" and "B" shares

financial

Assets:
Working capital
Investment in securities
Properties, net
Other assets
Total working capital and other assets

Financed by:
Long-term debt
Provision for future income taxes
Preferred shares
Class "A" and "B" shareholders' equity

Ratio of current assets to current liabilities
Capital expenditures

other statistics

Number of shareholders
Number of employees

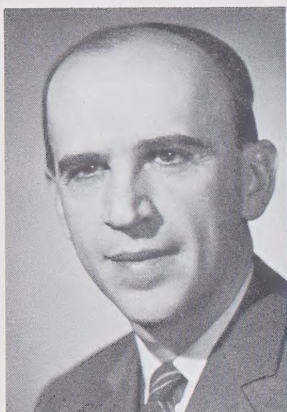
Note: Results of Canada Glazed Papers Limited are included from February 24, 1964

**Net earnings, dividend and cash flow per class "B" share are 5 cents less than per class "A" share*

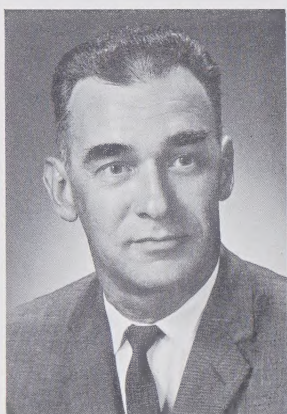
**1965 per share calculated on average number of shares for the year.*

1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
40,461	45,059	47,788	50,978	54,195	57,071	57,603	69,120	73,701	77,107
\$14,190,448	\$15,799,601	\$16,954,767	\$18,137,985	\$19,379,905	\$20,455,394	\$20,633,530	\$26,032,008	\$28,290,544	\$ 29,935,187
—	—	—	—	—	—	—	—	184,375	262,500
479,739	544,935	520,575	521,133	558,821	534,970	559,077	698,358	817,640	1,072,238
230,640	219,745	205,649	186,990	160,752	153,985	144,654	372,386	638,021	597,001
901,561	1,132,295	1,470,736	1,875,855	2,235,482	2,468,021	2,586,179	2,759,939	3,297,750	2,994,320
425,300	517,000	712,307	930,777	1,125,503	1,263,796	1,310,063	1,420,628	1,531,424	1,265,915
476,261	615,295	758,429	945,078	1,109,979	1,204,225	1,276,116	1,339,311	1,766,326	1,728,405
3.4%	3.9%	4.5%	5.2%	5.7%	5.9%	6.2%	5.1%	6.2%	5.8%
2.6%	3.2%	3.8%	4.5%	5.0%	5.2%	5.2%	3.7%	4.0%	3.7%
\$ 1,193,500	\$ 1,334,530	\$ 1,423,604	\$ 1,580,311	\$ 1,763,000	\$ 1,915,595	\$ 1,948,293	\$ 2,397,169	\$ 4,115,390	\$ 3,993,637
\$ 72,250	\$ 72,250	\$ 72,250	\$ 71,825	\$ 71,400	\$ 71,400	\$ 71,400	\$ 71,400	\$ 71,400	\$ 64,993
120,002	120,002	156,003	201,003	327,005	336,006	408,007	408,007	490,507	712,009
284,009	423,043	530,176	672,250	711,574	796,819	796,709	859,904	1,204,419	951,403
\$.30	\$.39	\$.49	\$.62	\$.74	\$.80	\$.85	\$.90	\$ 1.00	\$.92
.10	.10	.13	.16	.24	.25	.30	.30	.30	.40
.80	.89	.96	1.06	1.19	1.30	1.32	1.63	2.36	2.15
2.31	2.60	2.97	3.44	3.94	4.50	5.06	4.69	7.04	7.45
\$ 2,621,107	\$ 3,301,591	\$ 3,750,958	\$ 4,196,855	\$ 3,994,244	\$ 4,426,081	\$5,020,416	\$ 5,521,002	\$ 8,390,715	\$ 9,503,221
—	—	—	—	—	—	—	—	5,862,651	5,862,651
7,937,096	7,476,902	7,325,276	7,298,313	7,725,021	8,097,641	8,128,535	11,160,751	15,446,181	15,539,114
132,856	46,409	36,444	38,860	47,537	35,799	46,379	5,225,103	562,219	250,177
<u>10,691,059</u>	<u>10,824,902</u>	<u>11,112,678</u>	<u>11,534,028</u>	<u>11,766,802</u>	<u>12,559,521</u>	<u>13,195,330</u>	<u>21,906,856</u>	<u>30,261,766</u>	<u>31,155,163</u>
5,200,000	4,836,500	4,449,500	4,104,500	3,531,500	3,351,000	3,077,000	11,879,500	11,267,000	10,217,000
300,900	475,200	619,800	733,900	828,100	1,004,500	1,117,600	1,522,231	3,422,571	4,615,565
1,700,000	1,700,000	1,700,000	1,680,000	1,680,000	1,680,000	1,680,000	1,680,000	1,680,000	1,479,000
3,490,159	3,813,202	4,343,378	5,015,628	5,727,202	6,524,021	7,320,730	6,825,125	13,892,195	14,843,598
<u>10,691,059</u>	<u>10,824,902</u>	<u>11,112,678</u>	<u>11,534,028</u>	<u>11,766,802</u>	<u>12,559,521</u>	<u>13,195,330</u>	<u>21,906,856</u>	<u>30,261,766</u>	<u>31,155,163</u>
2.2:1	2.4:1	2.6:1	2.8:1	2.5:1	2.7:1	2.9:1	2.3:1	3.6:1	3.7:1
\$ 3,402,088	\$ 499,451	\$ 369,532	\$ 495,478	\$ 1,011,293	\$ 907,746	\$ 591,885	\$ 3,007,178	\$ 5,143,892	\$ 1,156,248
1,084	1,049	1,037	1,021	1,633	1,839	1,889	2,331	2,518	2,491
880	881	874	875	872	905	877	1,121	1,163	1,260

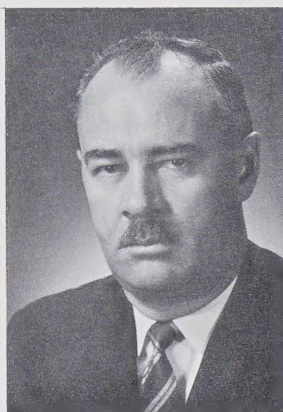
Appointments



André Déom, C.R.I., appointed Vice-President, Personnel — a new position in the Company.



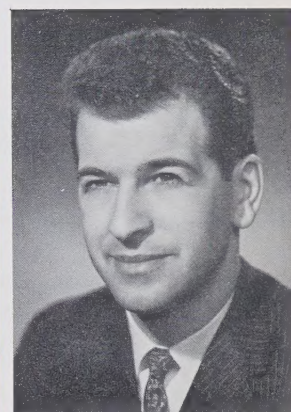
André Asselin, Eng., Production Manager. He was formerly Chief Engineer.



Yvon Clément, Eng., who joined the Company as Chief Engineer.



William S. Brown, Export Manager. He was formerly Assistant Export Manager.



Albert Cousineau, who joined the Company as Quebec City District Sales Representative.

Our new Executive and Administrative offices



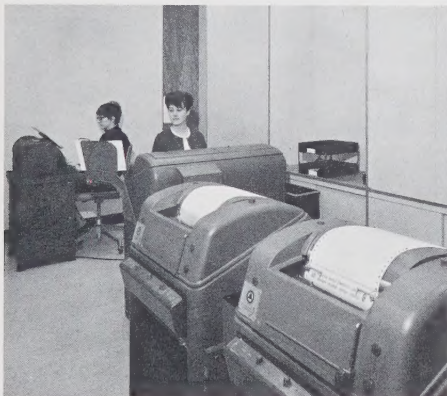
Reception area



Typical executive office



Board Room



Teletype Order Room



Order
Department

